

**INTERGOVERNMENTAL AGREEMENT  
THE CITY OF TEMPE  
AND  
THE CITY OF SCOTTSDALE  
FOR THE PURCHASE OF LNG/LCNG FUEL**

**NO. C2013-XX**

This Intergovernmental Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, ("Effective Date") by and between the City of Tempe, a municipal corporation duly organized and existing under the laws of the State of Arizona located at 31 E. Fifth Street, Tempe, Arizona ("Tempe") and the City of Scottsdale, a municipal corporation ("Scottsdale").

**RECITALS**

WHEREAS, TEMPE, SCOTTSDALE, and the REGIONAL PUBLIC TRANSIT AUTHORITY ("RPTA") entered into a Master Project Agreement for the East Valley Bus Operations and Maintenance Facility ("Master Agreement") effective June 10, 2010; and,

WHEREAS, TEMPE, SCOTTSDALE, and RPTA agreed in the Master Agreement that the East Valley Bus Operations Maintenance Facility ("EVBOM") is the sole and exclusive property of TEMPE and neither RPTA nor SCOTTSDALE possesses an ownership interest therein by virtue of its financial participation pursuant to the terms of the Master Agreement; and,

WHEREAS, TEMPE, SCOTTSDALE, and RPTA agreed in the Master Agreement that SCOTTSDALE and RPTA are granted access rights to independently operate transit service contracts from EVBOM; and,

WHEREAS, TEMPE, SCOTTSDALE, and RPTA agreed in the Master Agreement that if RPTA and/or SCOTTSDALE independently operate transit service contracts from EVBOM, then RPTA and/or SCOTTSDALE will participate in equitable cost sharing for the operations and maintenance of EVBOM; and,

WHEREAS, SCOTTSDALE desires to obtain liquid natural gas ("LNG/LCNG") from EVBOM on an ongoing basis for SCOTTSDALE owned buses that are operated by its transit service contractor.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the covenants and promises set forth below, the parties hereby agree as follows:

**AGREEMENT**

**SECTION 1. PURPOSE.** The purpose of this Agreement is to sell LNG/LCNG fuel for City of Scottsdale owned buses that are operated by its transit service contractor and to effect payments for such fuel provided Scottsdale in fiscal years 2011 and 2012 and through the term of the agreement. Fueling is performed at the East Valley Bus Operations Maintenance (EVBOM) facility which is located at 2050 West Rio Salado Parkway, Tempe, Arizona 85281. Exhibit A provides documentation for fuel dispensed to Scottsdale in fiscal years 2011 and

2012. Exhibit B provides an explanation of the fuel cost per gallon for the remaining term of the agreement.

## **SECTION 2. SPECIAL PROVISIONS.**

A. Term. This Agreement commences upon the date that this Agreement is fully executed and terminates on June 30, 2015, unless sooner terminated as provided in this agreement (the "initial term"). This agreement may be renewed every five years upon the terms and conditions then agreed upon by the parties.

B. Facility Conduct. Scottsdale has access to EVBOM to obtain LNG/LCNG fuel purchased from Tempe. Under the terms of this agreement, Scottsdale shall be permitted to access EVBOM on a non-exclusive basis to fuel LNG/LCNG buses owned by Scottsdale and operated by its transit service contractor. Access to EVBOM under this agreement is expressly limited to the purpose of obtaining LNG/LCNG fuel for Scottsdale owned transit buses.

1. Scottsdale shall not impede or interfere with Tempe's title, possession or operation of EVBOM or use or allow EVBOM to be used for any unlawful purpose.
2. Scottsdale's non-exclusive use of EVBOM shall not in any way interfere with the services, operation and use of EVBOM by Tempe and its employees, agents, representatives, passengers and invitees.
3. Scottsdale may access EVBOM for the purpose stated hereunder during the following time period: 6:00 p.m. to midnight daily.

C. Tempe's Obligations. Tempe shall be obligated to perform the following under this agreement:

1. Tempe will provide LNG/LCNG fuel but cannot guarantee availability of fuel under this agreement. Fuel delivery delays or system outages will be communicated to City of Scottsdale staff, or their agents, as they arise.
2. Tempe will not provide any maintenance services or dispensing of engine fluids as part of the fueling process.
3. Tempe or its agent will provide staff qualified to dispense LNG/LCNG fuel into Scottsdale buses.
4. Tempe or its agent will be solely responsible for the dispensing of LNG/LCNG fuel, grounding, and any necessary venting. Scottsdale staff or its agents are prohibited from dispensing fuel or operating any equipment or mechanism housed at EVBOM.
5. Tempe will provide monthly reports and invoices to Scottsdale that detail the amount of fuel dispensed and all associated charges.
6. Tempe shall maintain insurance coverage pursuant to the terms of the EVBOM Master Agreement C2010-134.

D. Scottsdale's Obligations. Scottsdale shall be obligated to perform the following under this agreement:

1. Scottsdale or its agent shall be solely responsible for the operation or transport of all buses covered under this agreement.
2. Scottsdale or its agent shall operate or transport buses safely, prudently and follow posted speed limits and proceed directly to EVBOM's fuel station and position vehicles at the fuel island while following direction of on-site Tempe personnel or their agents. Scottsdale drivers shall remain in a designated safe area away from the fuel pumps at all times during the fueling process. At no time is smoking or loitering allowed at the Facility.
3. Upon completion of the fueling process, buses shall immediately depart the fuel station and EVBOM. Under the terms of this agreement, buses may not be stored or parked at EVBOM.
4. Any buses towed to EVBOM shall be off-loaded away from the fuel station and delivered to the fuel island by Scottsdale staff or their agents under the direction of City of Tempe staff or their agents. Buses will not be fueled while attached to tow trucks.
5. Scottsdale staff or their agents are expressly prohibited from dispensing LNG/LCNG fuel and operating any piece of equipment or mechanism housed at EVBOM.
6. Scottsdale or its agent shall be solely responsible for any of its buses which fail to operate in a manner that impedes Tempe's ability to access the LNG/LCNG fueling dispensers and shall directly provide any and all necessary bus maintenance support services to immediately remove any non-operable Scottsdale bus in order to maintain access to fueling dispensers.
7. Scottsdale shall comply with all applicable federal and state laws and regulations as well as applicable city code.
8. Scottsdale, its employees, agents, and representatives shall comply with security and safety requirements and procedures as may be directed by the City of Tempe.
9. Scottsdale, its employees, agents, and representatives shall not harm EVBOM, shall not commit or allow to be committed, any waste or nuisance on or about EVBOM or subject EVBOM to any use that would damage any portion of EVBOM or give rise to a claim or violate any provision of an insurance policy maintained by any party or by Tempe, and shall leave EVBOM at all times in as good order and condition as existed prior to Scottsdale's non-exclusive use. Scottsdale shall immediately notify Tempe of any damage to EVBOM caused by Scottsdale or its employees, agents, or representatives. Scottsdale shall also notify Tempe of any damage to EVBOM of which Scottsdale has knowledge regardless of who may have caused the damage. Scottsdale shall be financially responsible for any damage to EVBOM caused by its employees, agents or representatives.

10. Payments.

- a. Arrearages. Scottsdale shall upon receipt of invoice remit within 30 days to Tempe the total amount of \$ 148,916.52 (Exhibit A) for fuel purchased in fiscal years 2011 and 2012.
- b. For fiscal years 2013 through 2015, Tempe will invoice Scottsdale monthly in arrears for fuel dispensed into Scottsdale buses. Scottsdale shall remit total invoiced amount within thirty (30) days of invoice date. After thirty (30) days, interest will be charged for any unpaid balance. Interest will be computed at 3.25% APR monthly. For billing and reporting purposes, gallons of LNG/LCNG fuel dispensed will be based on reports generated by Tempe's LNG/LCNG fuel management system.
- c. Facility. Pursuant to the terms of the Master Agreement, Scottsdale will participate in equitable cost sharing for the operations and maintenance of EVBOM.

11. Insurance.

- a. Scottsdale shall maintain in full force and effect during the term of this Agreement and any renewals thereof, at Scottsdale's sole expense, commercial general liability insurance with companies and through brokers licensed to do business in the state of Arizona, including Facility liability coverage against claims for bodily injury, personal injury and death or property damage occurring in connection with Scottsdale's non-exclusive use of any portion of EVBOM, which insurance shall include Tempe as an additional insured, as well as worker's compensation insurance in amounts required by applicable law. The minimum limit of insurance requirements shall not be less than Two Million Dollars (\$2,000,000.00) per occurrence and Five Million Dollars (\$5,000,000.00) in the aggregate. Scottsdale shall also purchase Automobile Liability insurance with companies and through brokers licensed to do business in the state of Arizona with limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate. The policies shall contain a waiver of subrogation. Scottsdale shall include all subcontractors as additional insureds under its policies or it shall require any such subcontractor to furnish separate certificates and endorsements for each subcontractor to Scottsdale. Such insurance policies shall provide coverage for Tempe's contingent liability on such claims or losses that arise out of Scottsdale's non-exclusive use of EVBOM under this Agreement that may occur as a result of any act, error or omission by Scottsdale, its agents, representatives, or employees.
- b. Scottsdale shall maintain Pollution Liability coverage with project-specific limits of \$1,000,000 per loss and a \$2,000,000 annual aggregate for losses caused by pollution conditions that arise from the operations of Scottsdale's contractor as specified in the Contract's scope of work and which shall include:
  - i. Bodily injury sickness, disease, death, mental anguish or shock;

- ii. Property damage, including physical injury, to or destruction of property Including loss of use, cleanup costs, legal fines, and loss of use of property not physically injured nor destroyed; and
- iii. Defense costs, including charges and expenses for investigation and claims adjustment.

Prior to commencing any activities pursuant to this Agreement, Scottsdale shall provide Tempe with appropriate certificates in full force and effect evidencing the required insurance coverage in effect and naming Tempe as an additional insured and certificate holder. The certificates must provide that Tempe be given no less than fifteen (15) days advance written notice in the event of material change in coverage, cancellation or non-renewal.

Insurance provisions set forth in this Section are separate and independent from the indemnity provisions of Section 6 and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions.

## 12. Liability and Indemnity.

- a. To the fullest extent permitted by law, Scottsdale shall defend, indemnify, and hold harmless Tempe, its agents, representatives and employees from all claims, demands, suits, actions, loss, cost, liens and liability of every kind, including any attorneys' fees and/or litigation costs, which may be brought or made against or incurred by Tempe on account of loss or damages to any property and for injuries to or death of any person arising out of any act or omission by Scottsdale, its agents, representatives, employees, or subcontractors, arising out of their use of EVBOM or arising out of workers' compensation claims or unemployment disability compensation claims of employees of Scottsdale or out of claims under similar such laws. Scottsdale's obligation under this Section 12 shall not extend to any liability caused by the sole negligence of Tempe or its employees. Where both Tempe and Scottsdale, including their employees, agents or representatives participated in the liability causing event, each party shall contribute to the common liability a pro rata amount based upon the party's relative degree of fault as established by compromise, arbitration or litigation.
- b. If any third party institutes an action at law or suit in equity against Scottsdale arising out of or resulting from or under this Agreement, Scottsdale shall promptly notify Tempe of such within five (5) business days of receipt of such suit or claim. If Tempe tenders a claim for representation to Scottsdale, no later than seven (7) business days after submission of such tender Scottsdale shall provide written notice to Tempe of the determination made.
- c. If any action at law or suit in equity is instituted by any third-party against Tempe arising out of or resulting from the acts or omissions of Scottsdale, its contractors, subcontractors, agents or anyone directly or indirectly employed or contracted by any of them in use of EVBOM as set forth in

this Agreement, and if Scottsdale failed to provide insurance coverage to Tempe against such action as required in this Agreement or otherwise refuses to defend such action, Tempe shall have the right to conduct and control, through counsel of its choosing, the defense of any third-party claim, action or suit, and may compromise or settle the same, provided that Tempe shall give Scottsdale advance notice of any proposed compromise or settlement. Tempe shall permit Scottsdale to participate in the defense of any such action or suit through counsel chosen by Scottsdale, provided that the fees and expenses of such counsel shall be borne solely by Scottsdale. If Tempe permits Scottsdale to undertake, conduct and control the settlement of such action or suit, Scottsdale shall not consent to any settlement that does not include as an unconditional term thereof the giving of a complete release from liability to Tempe with respect to such action or suit. Scottsdale shall promptly reimburse Tempe for the full amount of any damages, including attorneys' fees and costs, incurred in connection with any such action.

### **SECTION 3. GENERAL PROVISIONS.**

A. Subrogation. Scottsdale, its, contractors, sub-contractors, and agents waive and relinquish any right of subrogation or claim against Tempe, its agents, representatives, and employees arising out of the non-exclusive use of EVBOM (including any equipment) by any party in performance of this Agreement.

B. Default. If Scottsdale fails to comply with or observe any provisions of this Agreement, in addition to any other remedy that may be available to Tempe by reason of such failure, whether at law or equity, Tempe may immediately terminate this Agreement and all rights of Scottsdale hereunder.

C. Suspension and Termination. Tempe may, by written notice, direct Scottsdale to suspend its use of EVBOM for such period of time as may be determined by Tempe to be necessary or desirable. Upon receipt of such termination notice, Scottsdale shall discontinue use of EVBOM under this Agreement within fifteen days. Either party may terminate this Agreement for any reason upon sixty (60) days prior written notice delivered by hand or by certified mail return receipt requested.

D. Waiver. The failure of either party to insist upon strict performance of any of the provisions of this Agreement or to exercise any rights or remedies shall not release the other party from any of its responsibilities or obligations imposed by this Agreement and shall not be deemed a waiver of any rights to insist upon strict performance of this Agreement.

E. Entire Contract. This Agreement embodies the entire contract between Tempe and Scottsdale. The parties shall not be bound by or be liable for any statement or representation of any nature not set forth in this Agreement. Changes of any of the provisions of this Agreement shall not be valid unless set forth in writing and signed by both parties.

F. Assignability. Scottsdale shall not have the right to assign this Agreement or any interest in this Agreement or allow any other person or entity to use or occupy any of all of EVBOM without the prior written consent of Tempe, which consent may be granted or withheld at Tempe's sole discretion. In the event of Tempe's consent to assignment of this Agreement, all of the terms,

provisions and conditions of the Agreement will be binding upon and inure to the benefit of the parties and their respective successors, assigns and legal representatives.

G. Duties and Obligations. The duties and obligations imposed by the Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any - duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by Tempe shall constitute a waiver of any right or duty afforded under the Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach hereunder, except as may be specifically agreed in writing.

H. Conflict of Interest. The parties understand that this Agreement is subject to cancellation pursuant to A.R.S. § 38-511 without penalty or further obligation if any persons significantly involved in initiating, negotiating, securing, drafting or creating this Agreement is, at any time while this Agreement or any extension hereof is in effect, an employee or agent of the other party, in any capacity, or a consultant to the other party, regarding the subject matter of this Agreement.

I. Relationship. The parties agree that neither Scottsdale nor any employees or other personnel of Scottsdale will for any purpose be considered employees of Tempe and with respect to Scottsdale and any employees or other personnel of Scottsdale, Tempe shall not be responsible in any manner for the supervisions, daily direction or control of Scottsdale and any of its employees or other personnel or the payment of salary, including withholding income taxes and social security, workers' compensation and disability benefits for Scottsdale and any of its employees or other personnel.

J. Governing Law. The laws of the State of Arizona shall govern this Agreement. The Arizona Superior Court in and for Maricopa County or the United States District Court, District of Arizona shall have subject matter jurisdiction hereof.

K. Civil Rights. Each party shall comply with Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d; 49 U.S.C. § 5332; and 49 C.F.R. Part 21, and any implementing requirements the Federal Transit Administration may issue. These regulations provide that no person shall, on the grounds of race, age, religion, gender, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity included in or resulting from this Agreement.

L. Americans With Disabilities Act (ADA). Each party shall comply with all applicable requirements of the Americans with Disabilities Act of 1990 (ADA), as amended, 42 USC § 12101 et seq., Section 504 of the Rehabilitation Act of 1973, as amended, 29 USC § 794; 49 USC § 5301(d), and any implementing requirements the Federal Transit Administration may issue. These regulations provide that no handicapped individual, solely by reason of his or her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity included in or resulting from this Agreement.

M. Equal Employment Opportunity. Neither party shall discriminate against any employee or applicant for employment because of race, age, religion, color, gender, disability, or national origin. The parties agree to take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, age, religion, color, gender, disability, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising,

layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

N. Compliance with A.R.S. §§ 35-392.06 and 35-393.06. By entering into this Agreement, the parties certify that they do not have scrutinized business operations in Sudan or Iran as defined in A.R.S. § 35-391(15) and A.R.S. §35-393(12).

O. Severability. If any clause or provision of this Agreement is declared to be invalid by any court of competent jurisdiction, then and in that event, the remaining provisions hereof shall remain in force. In lieu of each clause or provision of this Agreement that is illegal, invalid, or unenforceable, there shall be added as a part of this Agreement, a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be that is legal, valid, and enforceable.

P. Notices. Notices given to pursuant to the provisions of this Agreement, or necessary to carry out its provisions, shall be in writing, and delivered personally to or mailed postage prepaid, to:

City of Tempe -Transportation Division  
Gregory Jordan, Deputy Public Works Director  
200 East 5<sup>th</sup> Street  
Tempe, AZ 85281  
480-858-2094: Office  
480-858-2097: Fax  
[greg\\_jordan@tempe.gov](mailto:greg_jordan@tempe.gov)

City of Scottsdale  
Madeline Clemann, Transit Manager  
7447 E. Indian School Rd. Suite 205  
480-312-2732: Office  
Scottsdale, AZ 85281  
[Mclemann@scottsdaleaz.gov](mailto:Mclemann@scottsdaleaz.gov)



DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

CITY OF TEMPE, ARIZONA

CITY OF SCOTTSDALE, ARIZONA

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Mark W. Mitchell  
Mayor

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W.J. "Jim" Lane  
Mayor

The above Agreement has been reviewed pursuant to A. R. S. § 11-952, by the undersigned attorney for the City of Tempe, Arizona who has determined that it is in the proper form and is within the powers and authority granted to the City of Tempe, Arizona.

The above Agreement has been reviewed pursuant to A. R. S. § 11-952, by the undersigned attorney for the City of Scottsdale, Arizona who has determined that it is in the proper form and is within the powers and authority granted to the City of Scottsdale, Arizona.

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Andrew B. Ching  
City Attorney  
City of Tempe

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Bruce Washburn  
City Attorney  
City of Scottsdale

ATTEST:

ATTEST:

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Brigitta M. Kuiper  
City Clerk  
City of Tempe

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Carolyn Jagger  
City Clerk  
City of Scottsdale

## EXHIBIT A

### Actual Costs for Fiscal Years 2011 and 2012

Detailed Fuel Billing - CITY OF SCOTTSDALE												
Billing Period: 07/01/2010 - 06/30/2011												
FUEL DELIVERED												
	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011
LNG Gallons - Bus 4158	349.40	1,769.87	1,721.76	1,099.82	1,171.15	1,206.71	822.26	1,909.13	2,706.10	1,801.46	647.53	1,096.06
LNG Gallons - Bus 4159	421.69	1,779.45	1,446.90	1,901.92	1,284.34	1,829.00	1,567.20	2,030.45	2,238.92	2,555.18	2,243.97	523.84
LNG Gallons - Bus 4160	344.16	1,362.82	1,608.05	1,319.09	1,527.10	1,377.94	1,458.99	2,114.27	1,574.90	2,254.20	768.35	1,284.57
LNG Gallons - Bus 4161	462.19	1,632.90	2,032.86	1,974.70	2,090.57	1,363.33	1,369.54	2,583.52	2,374.41	2,423.44	2,188.94	2,194.40
LNG Gallons - Bus 4162	463.74	1,377.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LNG Gallons - Bus 4163	552.48	1,503.20	2,237.53	1,880.26	1,238.00	1,241.18	1,865.49	2,587.14	2,552.04	2,017.06	2,311.30	1,849.84
<b>Total LNG Gallons dispensed</b>	<b>2,593.66</b>	<b>9,425.79</b>	<b>9,047.10</b>	<b>8,175.79</b>	<b>7,311.16</b>	<b>7,018.15</b>	<b>7,083.48</b>	<b>11,224.51</b>	<b>11,446.37</b>	<b>11,051.34</b>	<b>8,160.09</b>	<b>6,948.71</b>

COST CALCULATION						
Description	Vendor	Base Cost	Total Tempe Gallons Purch.	Unit Cost	SCOTTSDALE Gallons Dispensed	SCOTTSDALE Cost
LNG Fuel (Detail above)	Clean Energy			\$ 0.999	99,486.13	\$ 99,386.64
LNG Fuel - Alternative Fuel Tax Credit	IRS			\$ (0.500)	99,486.13	\$ (49,743.06)
Fuel Facility Operations/Maint (Fixed)	Northstar	\$ 300,000	2,701,692	\$ 0.111	99,486.13	\$ 11,047.09
Fuel Facility Operations/Maint (Variable)	Northstar			\$ 0.040	99,486.13	\$ 3,979.45
Fueling staff/Tempe City Staff Allocation	Veolia/Tempe			\$ 0.030	99,486.13	\$ 2,984.58
EVBOM Facility Utilities Allocation	Tempe			\$ 0.005	99,486.13	\$ 497.43
					<b>Amt. Due</b>	<b>\$ 68,152.13</b>

Detailed Fuel Billing - CITY OF SCOTTSDALE												
Billing Period: 07/01/2011 - 06/30/2012												
FUEL DELIVERED												
	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	January 2012	February 2012	March 2012	April 2012	May 2012	June 2012
LNG Gallons - Bus 4147	0.00	2,075.26	1,350.59	1,952.62	2,321.25	2,104.55	2,409.56	2,410.02	2,365.83	2,420.82	3,008.86	2,247.91
LNG Gallons - Bus 4148	0.00	818.25	753.27	0.00	0.00	0.00	191.67	0.00	1,575.28	2,619.10	184.27	0.00
LNG Gallons - Bus 4158	1,096.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LNG Gallons - Bus 4159	523.84	1,379.98	1,179.71	8.01	640.90	1,931.74	2,550.04	2,299.29	1,446.59	911.98	1,664.24	2,003.33
LNG Gallons - Bus 4160	1,284.57	1,213.59	392.00	2,306.53	1,298.33	1,567.82	2,191.64	2,477.51	2,502.93	1,544.27	879.80	0.00
LNG Gallons - Bus 4161	2,194.40	1,506.29	1,927.66	2,388.89	1,127.81	1,991.38	3,045.18	2,966.27	2,681.54	2,385.10	2,650.07	2,990.71
LNG Gallons - Bus 4163	1,849.84	1,492.06	2,131.12	2,079.41	2,270.04	1,984.29	1,617.59	0.00	0.00	0.00	0.00	0.00
<b>Total LNG Gallons Dispensed -</b>	<b>6,948.71</b>	<b>8,485.43</b>	<b>7,734.35</b>	<b>8,735.46</b>	<b>7,658.33</b>	<b>9,579.78</b>	<b>12,005.68</b>	<b>10,153.09</b>	<b>10,572.17</b>	<b>9,881.27</b>	<b>8,387.24</b>	<b>7,241.95</b>

COST CALCULATION						
Description	Vendor	Base Cost	Total Tempe Gallons Purch.	Unit Cost	SCOTTSDALE Gallons Dispensed	SCOTTSDALE Cost
LNG Fuel (Detail above)	Clean Energy			\$ 1.0490	107,383.43	\$ 112,645.21
LNG Fuel - Alternative Fuel Tax Credit (July-Dec.)	IRS			\$ (0.5000)	107,383.43	\$ (53,691.71)
Fuel Facility Operations/Maint (Fixed)	Northstar	\$ 300,000	2,341,697	\$ 0.1281	107,383.43	\$ 13,757.13
Fuel Facility Operations/Maint (Variable)	Northstar			\$ 0.0400	107,383.43	\$ 4,295.34
Fueling staff/Tempe City Staff Allocation	Veolia/Tempe			\$ 0.0300	107,383.43	\$ 3,221.50
EVBOM Facility Utilities Allocation	Tempe			\$ 0.0050	107,383.43	\$ 536.92
					<b>Amt. Due</b>	<b>\$ 80,764.39</b>



## EXHIBIT B

### Estimated Price Per Gallon for Future Years

The City of Scottsdale will be obligated to pay the City of Tempe monthly during the term of the agreement an amount equal to the total number of gallons dispensed to City of Scottsdale buses based on the cost calculation below. The cost categories stated below reflect costs for LNG/LCNG and Scottsdale's proportionate allocations for fuel station maintenance, facility utility costs, and transit contractor staff costs for time spent dispensing fuel to Scottsdale buses, including Tempe city staff support costs.

A year- end reconciliation will be conducted based on actual LNG/LCNG gallons dispensed to City of Scottsdale buses.

COST CALCULATION FY 2012- 2013						
Description	Vendor	Base Cost	Annual Gallons	Unit Cost	SCOTTSDALE Gallons Used	SCOTTSDALE Cost
LNG Fuel (Fixed Cost)	Clean Energy			\$ 0.579	0.00	\$ -
LNG Fuel Alternative Fuel Tax Credit*				\$ 0.50	0.00	\$ -
Natural Gas (Variable Cost)	Clean Energy	SoCal Index			0.00	\$ -
Fuel Facility Operations/Maint (Fixed)	Northstar	\$ 240,000			0.00	\$ -
Fuel Facility Operations/Maint (Variable)	Northstar			\$ 0.040	0.00	\$ -
Fueling staff/Tempe City Staff Allocation	Veolia/Tempe			\$ 0.030	0.00	\$ -
EVBOM Facility Utilities Allocation	Tempe			\$ 0.005	0.00	\$ -
					Amt. Due	\$ -
*If available						

LNG fixed cost shall be based on the suppliers transport cost which represent all costs including liquefaction, utility cost, labor, materials, transportation, overhead, profit ,etc.

Natural gas cost per gallon is established monthly based on the Southern California (SoCal) index per MMBtu of natural gas as published monthly in Platt's Inside F.E.R.C. Gas Market report. The natural gas price per gallon is calculated as follows:

SoCal Index price per MMBtu/12.104 = price per gallon + \$.579 = price of LNG gallon.

Unit cost for fixed cost of fuel facility maintenance is based on the total volume of fuel purchased by Tempe divided into the annual fixed cost. Variable cost of \$.040 per gallon is charged per Tempe contract with its maintenance contractor.